

NEW PROCEDURES FOR THE DISPOSITION  
OF  
CPED PROPERTIES  
WITH BLIGHTED RESIDENTIAL STRUCTURES

**DRAFT**

Out for Review & Comment

# PHASE 1: Marketing Eligible Properties

TIMELINE	ACTIVITY DESCRIPTION	ACTION
<b>ANNOUNCEMENT OF OPEN HOUSE</b>	Property is advertised in the Finance & Commerce and the City of Minneapolis' website.	<b>INCLUDE:</b> PRICE, ADDRESS, DATE & TIME OF OPEN HOUSE
<b>HOST OPEN HOUSE</b> WITHIN 10 DAYS OF ANNOUNCEMENT	Property is opened to the general public. City may allow another opening, if needed to complete the Due Diligence.	<b>IF NO ATTENDEES:</b> STAFF MAY PROCEED WITH THE DEMOLITION OF THE PROPERTY
<b>INTEREST FORM</b> DUE 7 DAYS AFTER OPEN HOUSE	Interested Buyers sign an Interest Form and issue a Good Faith Deposit (GFD) check (the greater of 10% of the Fair Market Value or \$2,000).	<b>IF NO INTEREST:</b> STAFF MAY PROCEED WITH THE DEMOLITION OF THE PROPERTY
<b>PURCHASE OFFER</b> DUE 21 DAYS AFTER SIGNED INTEREST FORM	All Interested Buyers tender a completed <i>Offer to Purchase</i> or request an extension of no more than 30 days (\$500 extension fee paid by a check).	<b>IF NO OFFERS:</b> CITY REFUNDS 75% OF GFD AND MAY PROCEED TO DEMOLISH PROPERTY

## NOTES:

- Neighborhood representatives are encouraged to attend the Open House.
- The Interest Form and GFD are secured to ensure interest and discourage speculation.
- All parties entering the property MUST sign a disclaimer form, holding the City harmless.
- The 21 days after tendering an Interest Form is for buyer to secure funds and complete due diligence.
- If multiple offers, any buyer wanting to pull their offer will receive 75% of the GFD.
- If multiple offers, at minimum, preference will be given to owner-occupied buyers, buyers with the best track record and no city-subsidy in the project.
- No extensions will be granted in multiple offers situations.

## PHASE 2: Approval Process

TIMELINE	ACTIVITY DESCRIPTION	ACTION
<b>REVIEW OF OFFERS</b>	CPED Staff reviews offers and drafts a report to the Community Development Committee of the City Council. If multiple offers, staff will recommend alternate buyers.	<b>NOTE:</b> NEIGHBORHOOD NOTIFIED DURING THE ACQUISITION PROCESS
<b>THE STAFF RECOMMENDATION</b> APPROXIMATELY 30 DAYS AFTER THE OFFER TO PURCHASE DEADLINE	CPED Staff makes a presentation during a public hearing to the Community Development (CD C'tee) Committee of the City Council.	<b>REFUND OF GFD:</b> CITY REFUNDS 100% OF GFD FOR ANY PROPOSALS NOT APPROVED BY CITY COUNCIL.
<b>CITY COUNCIL ACTION</b> 10 DAYS AFTER CD C'TEE MEETING	City Council acts on the approval of the Community Development Committee's decision.	
<b>MAYOR SIGN-OFF</b> 10 DAYS AFTER CITY COUNCIL MEETING	The Mayor signs off on City Council's approval to sell the property to the buyer AND the action is published.	

### NOTES:

- The Review of offers entails the evaluation of the rehab proposal, the financing, the marketing plan and any other applicable review.

## PHASE 3: Contracting

TIMELINE	ACTIVITY DESCRIPTION	ACTION
<b>THE MAILING OF THE AGREEMENT</b>	After the mayoral signature, the assigned CPED Real Estate Coordinator sends the contract to the buyer.	<b>NOTE:</b> THIS CAN EITHER BE DONE VIA EMAIL OR U.S. MAIL
<b>CONTRACT EXECUTION</b> WITHIN 10 DAYS OF MAILING OF THE AGREEMENT	Buyer signs the redevelopment agreement and returns it to CPED and a closing date is scheduled.	<b>IF NOT RETURNED:</b> CITY CANCELS AGREEMENT AND RETAINS 100% OF GFD AND WORKS WITH THE ALTERNATE BUYER. IF NONE, CITY MAY PROCEED WITH DEMOLITION.
<b>THE CLOSING</b> WITHIN 30 DAYS OF CONTRACT EXECUTION	Closing with buyer occurs or the execution of a one-time 30-day extension (\$500 Extension Fee paid by check).	<b>IF NO CLOSING:</b> CITY CANCELS AGREEMENT, RETAINS 100% OF GFD AND WORKS WITH ALTERNATE BUYER, IF ONE EXISTS OR CITY MAY PROCEED TO DEMO THE PROPERTY.

### NOTES:

- Conveyance will be through a Quitclaim Deed process. If acquired through the tax forfeiture process, Tax Title will be conveyed.
- If Property is demolished, the vacant parcel will be marketed for future development.

# ELIGIBILITY & REQUIREMENTS

## Eligible Buyers:

- No one with ownership of properties on the City's 249 List or have outstanding orders (i.e. code compliance, water bills, taxes, etc.) will be eligible to participate.
- Buyer must show proof of financing at the time he/she submits offer to purchase.
- Buyer or his/her General Contractor must have experience in full housing rehab (at least 3 successful completed projects).
- Only experienced Landlords, with a sound Property Management Plan, will be eligible to purchase multi-unit properties (duplex or higher).

## Eligible Properties

- Only city-owned (CPED) residential properties are eligible under this program.
- No properties with City Council approval to demolish.
- Properties acquired for site assemblage are excluded from this program.

## Requirements

- Scope of work must meet the City's approved rehab standards for this program. Completion Certificate (CC) will be issued upon satisfactory completion of project.
- Single Family units must be completed and marketed for owner-occupancy for six months before rental is approved by the City of Minneapolis.
- GFD will be refunded when the property is sold to an owner-occupant OR rental licensing is approved (NOTE: If a single family dwelling it needs to have been marketed for six months).